

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JANUARY 10, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 10, 2012, commencing at 7:15 a.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Presentation by David Clovis, General Manager, California Joint Powers Risk Management Authority (CM)

David Clovis, representing the California Joint Powers Risk Management Authority (CJPRMA), provided a PowerPoint presentation regarding the CJPRMA and pooling. Specific topics of discussion included the history of insurance pooling and CJPRMA, insurance market trends, CJPRMA members, memorandum of coverage, limits, total member payroll, liability rates, Lodi net cost and benefit, property program, total insured values and rates, and added services.

In response to Council Member Hansen, Mr. Clovis stated that, while there have been some tort reform efforts made in California, they were largely unsuccessful due to opposing lobbying efforts and California remains an uncapped state.

In response to Council Member Hansen, Mr. Clovis stated the CJPRMA pool does cover alleged civil rights violations.

In response to Mayor Mounce, Mr. Clovis stated that, while Vallejo did file for bankruptcy, it remains an active participating member of the pool because it is continuing to pay its premiums and self-insured retention (SIR) and the bankruptcy itself has not impacted other pool members.

In response to Council Member Hansen, Mr. Clovis stated the City of Lodi has a \$10 million per occurrence program with CJPRMA with some limited exceptions.

In response to Council Member Hansen, Mr. Clovis stated by board action CJPRMA can drop a city due to a high number of losses or significant negative impact on other members. He stated the pool generally only accepts agencies into the program who have a better loss ratio than the pool itself.

In response to Council Member Johnson, Mr. Clovis briefly described the make-up of the primary pool participants, which generally consist of smaller cities pooled together into one group.

In response to Council Member Hansen, Mr. Clovis stated an agency's payroll is the primary basis for the percentage payment in the pool.

In response to Council Member Hansen, Mr. Clovis stated assets are similar to cash on hand in that it is what the pool uses to pay for losses based on a fiscal year.

In response to Council Member Johnson, Mr. Clovis stated broker services are reviewed annually when evaluating programs to ensure the pool is receiving the best service and rates.

In response to Council Member Hansen, Mr. Clovis stated natural disasters other than earthquakes and floods are covered by the City's policy.

In response to Mayor Pro Tempore Nakanishi, Mr. Clovis stated that, while he is not sure of the exact number, there must be approximately 70 other pools in the State of California. Mr. Clovis stated larger cities are generally self-insured internally and counties are generally a part of the California State Association of Counties Excess Insurance Authority pool because they carry a higher risk factor with health services and other programs.

In response to Council Member Hansen, Mr. Clovis confirmed that ultimately it is the public taxpayers' dollar that pays for the losses and the approximately \$32,000 of insurance costs annually for the City.

In response to Myrna Wetzel, Mr. Clovis stated insurance premiums for members in the pool do vary based on the level of SIR and the payroll of the member, which is the primary factor used to determine the pro-rata share.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl  
City Clerk